

BOARD OPERATIONS POLICY

PURPOSE

- 1) This Board Operations Policy contains various provisions regarding how the Board will administer its own activities. The policy includes but is not limited to relevant provisions of State law and Article I of the Regulations (formerly called By-laws). Provisions drawn from the Regulations and State law are so noted.

POLICY GUIDELINES

Election of Members of the Board of Retirement

- 2) The Board of Retirement delegates responsibility for conducting Board of Retirement elections in a manner set forth in the *Election Procedures for Elected Positions on KCERA's Board of Retirement* to the Board of Supervisors through its Chief Registrar of Voters. Appendix B contains a copy of the Election Procedures, which have been approved by the Board of Retirement. Appendix B is included for reference purposes only and does not form part of the Board Operations Policy.

Committee Structure

- 3) The standing committees of the Board shall be as follows:
 - a) Administrative Committee
 - b) Finance Committee
 - c) Investment Committee
 - d) Nominating Committee
- 4) In consultation with the Chief Executive Officer, the Board may approve the establishment of ad hoc committees, and the Board shall appoint the chair and members of such committees.
- 5) The Board supports the use of committees to enhance the efficiency and effectiveness of Board decision-making. Accordingly, the Board may assign or delegate to any committee the task of reviewing policies and decisions and providing recommendations to the Board for its consideration. Notwithstanding any such direction or delegation, the Board reserves the option to adopt any decision or policy

without considering committee analysis and recommendations if the Board determines that it is prudent and appropriate to do so under the circumstances.

Rules of Order

- 6) The conduct of Board and committee meetings shall be determined in accordance with:
 - a) This Board Operations Policy, including the Simplified Rules of Order set out in Appendix A;
 - b) The Regulations; and
 - c) Open meeting laws and other applicable laws.
- 7) Any question regarding the conduct of a meeting that is not addressed in paragraph 6 above, shall be determined by the Board Chair or applicable committee chair. In making such determination, the Board Chair or applicable committee chair may consult with Counsel. Any such determinations shall apply only to the meeting in question; the Board however may subsequently refer the question to the Administration Committee, which may recommend changes to the Board Operations Policy or Regulations to address the question for future meetings. Any resulting changes to the Board Operations Policy or Regulations shall not nullify the original determination by the Chair or committee chair. A Board member may, however, seek reconsideration of any decision that resulted from the original determination of the Chair or committee chair, consistent with the rules for reconsideration contained in Appendix A.
- 8) The Chair shall be entitled to vote, if applicable, on all questions and shall not be required to relinquish the chair in order to participate in discussions. (Regulations: Article I.B.3)
- 9) The order of business shall be at the discretion of the Chief Executive Officer in the absence of instructions from the Board. (Regulations: Article I.B.4)
- 10) The order of business shall normally be as follows:
 - a) Roll Call
 - b) Flag salute and moment of silence
 - c) Consent Agenda Items for Board Action (routine and non-controversial)
 - d) Public Comments
 - e) Non-consent Agenda Items for Board Action
 - f) Report from Chief Executive Officer
 - g) Report from Chief Investment Officer

- h) Report from the Chief Legal Officer
- i) Reports from Committee Chairs
- j) Board Member Announcements or Reports
- k) Executive session
- l) Adjournment

Officers

- 11) The Board shall annually elect a Board Chair and a Board Vice-Chair, each to serve for a term of one year.
- 12) Any trustee may be elected to the position of Board Chair or Board Vice-Chair for up to two consecutive terms, before vacating the position for at least one year.
- 13) The Chief Executive Officer shall serve as Secretary to the Board.

Nomination and Election of Board Officers

- 14) Annually at the regular meeting in October, a Nominating Committee shall be formed, consisting of two (2) members designated by the Chair of the Board and two (2) members designated by the full Board. The Chair of the Board shall appoint the Chair of the Nominating Committee. The Nominating Committee shall select one member of the Board as its nominee for Board Chair and one member as its nominee for Board Vice-Chair to hold office during the ensuing year. The Nominating Committee shall present its slate of nominees to the full Board at its regular meeting in December. At the time of election of officers in December, the Board Chair shall call for other nominations, which may be made by any member of the Board.
- 15) Annually, at the end of the regular meeting in December, the Board shall elect one of its members as Board Chair, and one of its members as Board Vice-Chair, each to hold office for a term of one year. Should a vacancy occur in the Chair position, the Vice-Chair will be the successor. Should a vacancy occur in the Vice-Chair position, the Board shall select a successor for the balance of the unexpired term at its next regular meeting.
- 16) Should the Chair or Vice-Chair be unavailable to chair a meeting, then the most recent past Chair who is available and serving on the Board shall assume the role of the Chair for the meeting in question.

Quorum

- 17) Five members of the Board shall constitute a quorum. No official act of the Board shall be valid unless five of the members concur therein. (Regulations: Article I.A.5)

- 18) With the exception of the Nominating Committee, standing committees shall be composed of four regular members and one committee alternate member. The composition of the Nominating Committee shall be as specified in paragraph 14 herein.
- 19) Three members of a standing committee shall constitute a quorum. The committee chair may designate an additional temporary member for purposes of constituting a quorum.

Alternates

- 20) An alternate shall be elected by the safety members and may vote in place of the 7th member when a member of the same service as the alternate is before the Board. The alternate shall vote as a member of the Board only in the event the second, third, seventh, or eighth member is absent from a board meeting for any cause, or if there is a vacancy with respect to the second, third, seventh, or eighth member, the alternate shall fill such vacancy until a successor qualifies (§31520.1).
- 21) An alternate shall also be elected by the retired members in the same manner and at the same time as the 8th member is elected. The term of office of the alternate retired member shall run concurrently with the term of office of the 8th member. The alternate retired member shall vote as a member of the Board only in the event the 8th member is absent from a board meeting for any cause. If there is a vacancy with respect to the 8th member, the alternate retired member shall fill that vacancy until a successor qualifies (§31520.5). Consistent with §31520.6, notwithstanding any provision to the contrary in §31520.5, if the eighth member is present, the alternate retired member may also vote as a member of the board in the event both the second and third, or both the second and seventh, or both the third and seventh members are absent for any cause.
- 22) Except as provided in paragraphs 20 and 21 above, alternates shall not vote as members of the Board, nor shall they have the ability to make a motion or second a motion, as the Board deems such actions to be integral to the voting process.
- 23) Except as otherwise provided in paragraphs 20 through 22, the above alternates shall have the same rights, privileges, responsibilities, and access to closed sessions as the 7th and 8th members respectively.

Communications and Public Comment

- 24) Every agenda for a regular board or committee meeting shall provide the public an opportunity to address the Board or committee at each meeting during posted public

comment sessions, on any item under the jurisdiction of the body. At the discretion of the presiding officer, the duration of any address may be limited to two (2) minutes. With respect to any item that is already on the agenda, the public will be given the opportunity to comment before or during the Board's or committee's hearing of the item. When a member of the public raises an issue not yet before the Board or committee, the item may be discussed, but no action may be taken at that meeting, except as provided below:

- a) The Board may request that Management or other advisors provide the Board factual information;
- b) The Board may request Management to report back to the Board at a subsequent meeting concerning any matter;
- c) The Board may take action to direct Management to place a matter of business on a future agenda.

25) Communications and requests to the Board shall be made in writing, and the substance of such requests and the action of the Board thereon shall be noted in the minutes. (Regulations: Article I.B.6)

26) Trustees may attend any standing committee meeting as observers, but only committee members may deliberate and vote on matters before the committee. (Government Code Section 54952.2(c)(6))

Agenda

27) The Secretary to the Board shall prepare, distribute, and post a written agenda for all regular meetings of the Board and standing committees. The agenda and related materials for board meetings will generally be distributed to trustees at least five (5) calendar days in advance of the board meeting except for non-agenda items, as permitted by the Brown Act. Said materials shall also be made available for public viewing prior to board and standing committee meetings in accordance with the Brown Act. Members of the public wishing to obtain copies of the materials may do so, and may be charged an appropriate fee, as determined by the Board, to recover any costs incurred by KCERA.

28) Committee meeting agendas will be posted seventy-two (72) hours prior to committee meetings, except under circumstances permitted by the Brown Act, and materials for committee meetings generally will be distributed no later than the day before the meeting. (Government Code Section 54954.2)

29) Items may be placed on the board agenda by any of the following means:

- a) By action of the Board at a previous meeting;

- b) By the Chair; or
- c) By the Chief Executive Officer.

Minutes

- 30) The Secretary shall cause to be recorded in the minutes the time and place of each meeting of the Board, the names of members present, all official acts of the Board and votes given by members of the Board. The Secretary shall cause the minutes to be written and presented for approval at the next monthly meeting of the Board. The minutes, or a true copy thereof, approved by the Board and signed by the Secretary and the Chair, shall form part of the permanent records of the Board.
- 31) Minutes of committee meetings shall be similarly prepared and placed in the Board's public record at the next month's regular board meeting.
- 32) Board members who vote against a motion are encouraged, but not required, to provide their reasons for doing so; such reasons may be included in the minutes.

Committee Operations

- 33) At the first regular meeting following the election of officers, the Chair shall appoint committee members, a committee chair, and a committee alternate to each standing committee, with the exception of the Nominating Committee (See paragraph 14 for policy regarding the Nominating Committee). Factors to be considered in determining committee appointments include:
 - a) Trustees' areas of expertise and experience;
 - b) Trustees' varying interests; and
 - c) The need to rotate trustees between committees to ensure their exposure to KCERA's various functions.
- 34) The function of committee alternates is to attend committee meetings when necessary to satisfy quorum requirements.
- 35) If the committee chair is unavailable to attend a meeting, then the committee chair may designate another committee member to serve as committee chair in his or her absence, failing which the remaining committee members may appoint a committee chair from among themselves.
- 36) In the event of a vacancy in a committee chair position, the Chair shall appoint a replacement.

- 37)The Chief Executive Officer shall ensure board committees receive adequate support from staff and shall assign a staff contact to each committee.
- 38)The Board shall approve a charter for each standing committee. Unless authorized by the Board, Committees shall not undertake committee work or analysis, nor direct Management, staff, or advisors to undertake any work, that falls outside the scope of the committee's charter.
- 39)To take effect, all actions of a committee must be approved by the Board at a scheduled board meeting, unless the committee's charter authorizes such independent action by the committee or the Board has otherwise granted such authority to the committee.

Schedule of Meetings

- 40)Regular meetings of the Board shall be held on the second Wednesday of each month at 8:30 a.m. The Administrative, Finance, and Investment Committees of the Board shall meet on a scheduled basis or ad hoc basis, as determined by the Chief Executive Officer, Chairman of the Board, the relevant committee, or Chairman of the relevant committee. Such meetings will be held in the KCERA Board Room, located at 11125 River Run Boulevard, Bakersfield, California unless an alternate location is authorized under Sections 54953 or 54954 of the Brown Act. If a scheduled meeting of the full Board needs to be moved for any reason, the Chief Executive Officer in coordination with the Chair, shall set a new date for the Board meeting. Any scheduled Board meeting may, in consultation with the Chief Executive Officer, be canceled by the Board Chair or, if the Board Chair is unavailable, the Vice-Chair. Any scheduled committee meeting may be canceled by the committee chair in consultation with the Chief Executive Officer. If the committee chair is unavailable, the Chief Executive Officer will consult with the committee member who is both available and has the longest tenure on the Board to discuss canceling the meeting.
- 41)Special meetings may only be called as provided in California Government Code Section 54956 (Regulations: Article I.B.2). At its first meeting each year, standing committees shall establish a forward yearly schedule of meetings and agendas, and provide such schedules to the full Board for review.

Policy Development

- 42)Both the Board and the Chief Executive Officer shall be responsible for identifying issues requiring a board policy or decision, and for initiating the development of board policy. Committees wishing to develop a new policy or position for the Board's consideration shall obtain Board approval prior to initiating any work or directing staff or advisors to initiate any work. The Chief Executive Officer shall be responsible for

ensuring all necessary research and analysis is performed to support the Board's decision-making and policy-setting responsibilities. The Chief Executive Officer shall further ensure that staff provides the Board and its committees with recommendations and supporting information in connection with all material decisions before the Board or its committees. Where appropriate, such information should include the strengths and weaknesses of viable alternatives that were considered.

- 43) Board policies and decisions shall generally be limited to issues of a high level or strategic nature. The Chief Executive Officer is authorized to approve staff-level procedures to support the proper implementation of board policies, and to guide the day-to-day operations of KCERA.
- 44) The Board shall abide by all board policies, unless under the circumstances it would be imprudent to do so. Material deviations from policy shall be noted in the minutes of the meeting along with the reasons for doing so; and, if appropriate, the Board shall direct the Chief Executive Officer to review the policy in question. Minor deviations in procedures are not required to be noted in the minutes; examples include, but are not limited, to:
 - a) Minor deviations in the timing of reports; and
 - b) Presenting reports directly to the Board rather than to a committee when, in consultation with the chair of the committee, it is agreed that there would be no benefit to having the committee consider the matter before it is presented to the Board.
- 45) All policies of the Board shall be reviewed with a frequency to be specified in each policy, though more frequent reviews may be initiated by the Board or the Chief Executive Officer if deemed necessary.
- 46) Board policies shall be maintained in up-to-date form within the offices of KCERA and shall be accessible to trustees and staff.

Compensation and Expense Reimbursement of Members of the Board

- 47) Pursuant to §31521 of the Act, the fourth, fifth, sixth, eighth, ninth, and the alternate eighth member shall receive compensation at the rate of one hundred dollars (\$100) for each Board or Board-authorized committee meeting, for not more than five meetings per month. In addition, all member of the Board shall receive reimbursement for actual and necessary expenses in accordance with rules and regulations adopted by the County of Kern for reimbursement of expenses incurred by County employees set forth in the Kern County Administrative Procedures Manual and the Trustee Travel

Policy. Board members and alternate trustees eligible for the \$100-per-meeting compensation may decline that compensation at any time.



48) This policy shall be reviewed at least every five years.

49) This policy was:

- a) Adopted by the Board on September 27, 2000.
- b) Amended on November 19, 2002; June 23, 2004; August 26, 2009; December 12, 2012; April 13, 2016; March 11, 2020; February 10, 2021; August 11, 2021; and April 13, 2022.

APPENDIX A

SIMPLIFIED RULES OF ORDER

- 1) In conducting Board and committee meetings, the primary goals of the Board are to ensure that:
 - a) decisions are made prudently, efficiently, and without confusion;
 - b) all Board members have appropriate opportunities to be heard;
 - c) members of the public have opportunities to address the Board, consistent with open meeting laws; and
 - d) all applicable laws are followed.
- 2) Board actions shall be carried out using motions. Examples of common motions include:
 - a) Motion to approve [insert item presented for approval].
 - b) Motion to approve/adopt based on Staff's recommendation.
 - c) Motion to refer matter to Staff/Committee for [insert direction from Board].
 - d) Motion to return matter to the Board on [insert date/month certain].
- 3) The general process for arriving at a Board or committee decision shall be as follows:
 - a) Staff and/or advisors shall provide background information and/or recommendations regarding the matter in question.
 - b) The chair shall then ask for discussion from the Board/committee.
 - c) The chair shall moderate any discussion to ensure open but orderly deliberations among Board members.
 - d) When discussion has ended, the chair shall request a motion and a second on the matter; if there is no second, the motion dies.
 - e) The chair shall take public comment at any time prior to moving to a vote.
 - f) Voting shall occur by one of the following methods:
 - i) By electronic means, though such votes may not be anonymous;
 - ii) By Roll Call – Each member answers “yes” or “no” as his or her name is called.
- 4) *Consent agenda.* Items placed on a consent agenda may be approved together without discussion or individual motions. A Board member may, however, request that one or more items be removed from the consent agenda for discussion and individual action, and such request may not be denied.
- 5) *Reconsidering a motion.* A board member may move that a motion to reconsider a board/committee action be placed on a future meeting agenda, but only if said board

member voted on the prevailing side when the matter was first considered. If said board member did not vote on the prevailing side, he or she may briefly state reasons for wishing that such a motion be made by a qualified Board member, and no other discussion may ensue unless a motion is made and seconded. The motion may be seconded by any board member.

Notwithstanding the above, a request for reconsideration made within 90 days of when the matter was first considered may only be approved if information not previously considered is available.

- 6) *Tie votes.* Motions that result in a tie vote are considered to have failed. In the event of a tie vote, any member of the Board/committee may move to have the matter decided once again at the same meeting. If a tie vote occurs a second time, the motion dies, or the Board may continue the matter to a future meeting(s) or take other appropriate action.
- 7) Any question regarding the conduct of a meeting that is not addressed by the Board Operations Policy, the Regulations, or Open meeting laws or other applicable laws, shall be determined by the Board Chair or applicable committee chair. In making such determination, the Board Chair or applicable committee chair may consult with Counsel. Any such determinations shall apply only to the meeting in question; the Board however may subsequently refer the question to the Administration Committee, which may recommend changes to the Board Operations Policy or Regulations to address the question for future meetings. Any resulting changes to the Board Operations Policy or Regulations shall not nullify the original determination by the Chair or committee chair. A Board member may, however, seek reconsideration of any decision that resulted from the original determination of the Chair or committee chair, consistent with the rules for reconsideration contained in paragraph 5 above.

Other Expectations

- 8) The following meeting practices are desirable but not required:
 - a) Board members seeking to gain the attention of the chair should use the electronic meeting system or say, “Mr. Chair” or “Madame Chair”.
 - b) Board members should refrain from addressing the Board or committee until recognized by the chair.
 - c) Motions should be stated in the affirmative; i.e., “I move that we ...” rather than, “I move that we do not....”

APPENDIX B

